

AMENDMENT 1 Increased Homestead Property Tax Exemption

Ballot Language: Proposing an amendment to the State Constitution to increase the homestead exemption by exempting the assessed valuation of homestead property greater than \$100,000 and up to \$125,000 for all levies other than school district levies. The amendment shall take effect January 1, 2019.

How The Amendment Reached The Ballot: Florida State Legislature

What Your Vote Means: A **Yes** vote on this measure: exempts home values between \$100,000 through \$125,000 from property taxes—other than school taxes—which increases the maximum homestead exemption to \$75,000.

A **No** vote on this measure: keeps the current homestead exemption structure and retains the \$50,000 exemption rather than raising it to \$75,000.

Pro: Simply put, a Yes vote on Amendment 1 lowers taxes and puts more money back in the pockets of Floridians. The average homeowner would see \$230 in annual property tax savings. An analysis projects the cumulative tax reduction across the state at approximately \$645 million. Any act that allows taxpayers to keep more of their money will, in turn, put that money into the private market and create economic activity. The increase in the homestead property tax exemption also limits the role of local government by providing more restraint on their ability to generate additional revenue – local officials would have to raise millage rates. Local leaders would need to exhibit greater fiscal responsibility if Amendment 1 were to pass. If this measure passes, taxpayers should feel that their money is being spent with accountability and restraint. Finally, it should also be noted that, to benefit from the measure, your home needs to exceed \$125,000 in value and public schools are exempt from the tax cut.

Con: To give money back to the taxpayers, local leaders must adjust to a lower revenue stream. Opponents argue that property taxes act as the main source of revenue for local governments that need the funds to provide necessary public services. Aside from the funding issue embedded in tax breaks, opponents claim that Amendment 1 is misleading. Rather than the homestead exemption applying to all homeowners, the measure would benefit half of the homeowners across the state. However, this argument only matters if you view taxes as a taxpayer versus taxpayer dynamic. Ultimately, the amendment cuts taxes for Floridians. Lastly, some opponents believe that tax policy should not be executed through a constitutional referendum.